

Lannebo Europe Small Cap (EUR)

Swedish-registered equity fund

Monthly report

April 2019

Risk information: Past returns are no guarantee of future returns. The money invested in the fund may increase or decrease in value and it is not certain that you will get back all the capital you have invested. The key investor information document and prospectus can be found at www.lannebo.se. Please note that Lannebo Fonder does not produce investment recommendations or other information recommending or suggesting an investment strategy. Information in this monthly report should not be seen as anything other than a statement of the fund's trading activities and holdings.

The fund's investment policy

Lannebo Europe Small Cap is an actively managed equity fund that invests in small and medium sized enterprises listed in Europe. The companies' market capitalization at the time of investment may not exceed EUR 5 bn. Equities are selected based on the fund manager's own assessments, therefore deviations from the benchmark can be both larger and smaller over time. Investments are made with a long term horizon.

The fund is suitable for those who:

- want to invest in small and medium-sized companies listed in Europe
- want an actively managed fund with investments based on a clear understanding of each individual company

Fund manager comment

European Equity markets continued to rise in April, especially benefitting small-caps. The Small Cap Index outperformed the Large Cap Index by 2.5 percentage points year-to-date. The strong performance this year is driven by the change in central bank rhetoric, less geopolitical risks related to Brexit and the expectation of a trade resolution between the US and Chi-na. The fund outperformed the benchmark in April, driven by strong share price performance by many of the portfolio companies supported by a positive start to the reporting season. The fund's performance was 6.7 per cent measured in EUR, compared with the benchmark's return of 4.6 per cent in EUR.

Keywords Studios and TKH Group were the best contributors to performance in April.

Keywords Studios is a provider of outsourced technical services to the video game industry. The company reported solid full-year results despite various challenges faced by the industry in the previous year, such as the strong development of the game Fortnite, which led to delays in the release of certain games and lower demand for other available games. The reduced activity during 2018 caused by the game delays will instead be moved into the H1 2019, providing a tailwind and strong growth. Furthermore, the company entered the streaming segment, which potentially could benefit organic growth in the coming years. Keywords Studio is also likely to continue its M&A strategy going forward.

TKH Group, the Dutch company operating within the telecom equipment and security systems industry, outperformed the market in April. The re-

lease of Q4 earnings results confirmed healthy organic growth. The outlook was also encouraging as the management emphasized there is low business cyclicity.

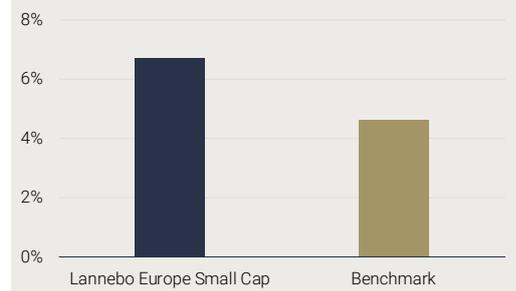
The worst contributors to performance were Arrow Global and Tecan.

Arrow Global, a UK based purchaser and manager of non-performing loans, underperformed the market in April. While there was no company specific news, a downgrade from a broker pointing out the relatively high leverage, negatively impacted the share price. We expect the debt worries to decline in 2019 as leverage improves and acquisitions begin to add value in the servicing business.

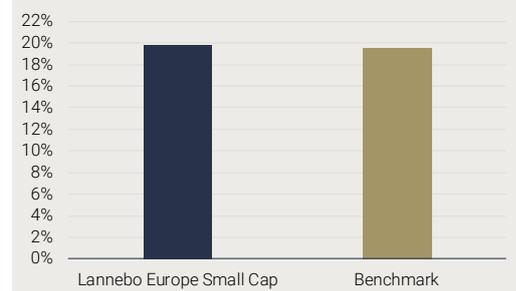
Tecan, the Swiss producer of diagnostics robots and automation systems for laboratories and hospitals, was a weak performer in April. After a strong performance year-to-date, investors took profits in a month absent of any fundamental news.

MBB, a German holding company, was divested during April. The company's main asset is Aumann, which focuses on production equipment for electrical vehicle motors. Order intake for Aumann has been weak even though the market is growing.

Monthly performance



Performance year to date*



Performance (%)	Lannebo Europe Small Cap	Benchmark
April 2019	6.7	4.6
Since launch (10/17/2016)	9.9	26.2
Average annual return 24 months	-2.4	3.3

Monthly performance (%)

Jan	Feb	Mar	Apr	May	Jun
8.0	2.9	1.7	6.7		
Jul	Aug	Sep	Oct	Nov	Dec

Annual performance(%)*	Lannebo Europe Small Cap	Benchmark
2019**	19.8	19.5
2018	-25.3	-15.9
2017	24.0	19.0

* The performance is based on closing prices.

** Year to date

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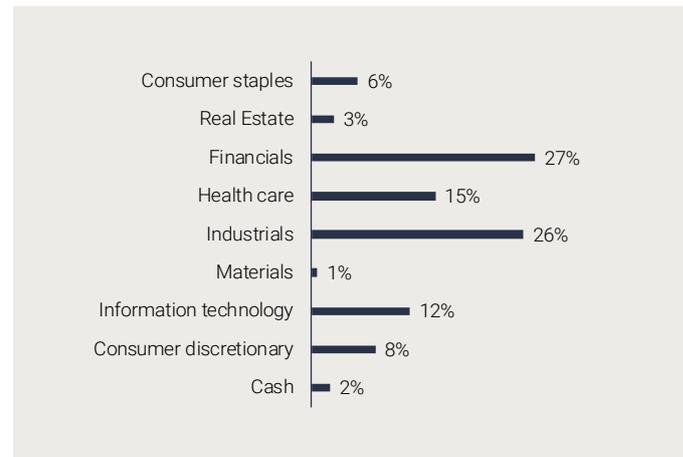
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10 largest holdings

Holding	% of the fund
Interpump Group	4.2
Grenke	4.2
Beazley	4.1
TKH Group	4.0
AAK	4.0
Tecan Group	3.7
Aurelius Equity Opportunities SE & Co KGaA	3.0
Dürr	2.9
Thule	2.9
Bank of Georgia Group	2.9
Total 10 largest holdings	35.9
Cash	2.3
Total number of holdings	44

Sector allocation



Major changes during the month

Buy	Sell
Inwido	-
Simcorp	
Aroundtown	

Risk and reward profile



Financial ratios

	Lannebo Europe Small Cap	Benchmark
Sharpe ratio	0.0	0.4
Total risk (%)	15.7	12.7
Tracking error	5.9	
Information ratio	-1.0	
Alpha	-0.5	
Beta	1.2	
Portfolio turnover ratio 12/31/2018	0.2	

Fund facts

Fund manager	Carsten Dehn & Ulrik Ellesgaard
Launch date	10/17/2016
NAV per unit (EUR)	109.87
Fund size (EURm)	241
Management fee	1.6%
Bankgiro	5140-8037
ISIN	SE0008092290
Trading frequency	Daily
Minimum investment amount	EUR 100
PPM number	891,507
Supervisory authority	Finansinspektionen
LEI	549300L5238BIDO30341

Explanations

Benchmark

MSCI Europe Small Cap Index. The unit price of the fund is set before the price of the index is calculated. This can sometimes result in a misleading comparison between the two.

Sharpe ratio

Sharpe ratio is a measure of risk adjusted return. Calculated as the ratio of the fund's excess return above the risk-free rate of return and the fund's total risk.

Total risk

Given as the standard deviation of variations in the total return of the fund or index.

Tracking error

Tracking error is a measure of active risk in a fund. Calculated as the standard deviation of the difference between the return of the fund and its benchmark.

Information ratio

A measure of risk-adjusted return. This is measured as the active return divided by the portfolio's active risk.

Alpha

Describes the effect of the portfolio manager's decisions on the return of the fund. A positive alpha value is the risk-adjusted excess return relative to the return of the benchmark.

Beta

Beta is a measure of a fund's sensitivity to market movements. The beta value reports how much the fund's value changes in percentage terms when the market's value changes by one percentage point.

Active share

A measure of the proportion of the portfolio that differ from the benchmark.

All financial ratios are calculated according to guidelines of the Swedish Investment Fund Association.